

Message Text

UNCLASSIFIED

PAGE 01 QUITO 07502 081624Z

41/61

ACTION COME-00

INFO OCT-01 ARA-10 EB-06 ISO-00 RSC-01 /018 W

----- 039156

R 071556Z NOV 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 3202

INFO AMCONSUL GUAYAQUIL

UNCLAS QUITO 7502

C O R R E C T E D C O P Y (TEXT)

FOR COMMERCE

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: PRIVATE TRADE OPPORTUNITY FOR AUTOMOTIVE DISTRIBUTORSHIP

1. DR. MARCO TULIO GONZALEZ, PROMINENT LOCAL ATTORNEY AND WELL-KNOWN TO THIS EMBASSY, HAS EXPRESSED INTEREST IN ACQUIRING LOCAL AGENCY FOR AMERICAN MOTORS VEHICLES. (COMMENT: TO EMBASSY'S KNOWLEDGE, AMERICAN MOTORS CORP (AMC) DOES NOT NOW HAVE, AND HAS NEVER HAD, AN EXCLUSIVE DISTRIBUTOR IN ECUADOR). DR. GONZALEZ IS ESPECIALLY INTERESTED IN COMPACT AMC MODELS SUCH AS GREMLIN AND HORNET WHICH COULD SELL IN ECUADOR IN 150,000 - 200,000 SUCRE RANGE (US\$6,000 - 8,000) AND BE COMPETITIVE WITH SMALL JAPANESE MODELS.

2. DR. GONZALEZ IS PREPARED TO INVEST MODERATE SUM AT BEGINNING AND IMPORT 8 - 10 VEHICLES ON TRIAL BASIS. DEPENDING ON MARKET POTENTIAL HE WOULD EVENTUALLY DESIRE TO OBTAIN AGENCY RIGHTS FOR ECUADOR, ESTABLISH SALES/DISTRIBUTION POINTS IN PRINCIPAL CITIES, AND BRANCH INTO LARGER MODELS SUCH AS RAMBLER.

3. ACTION REQUESTED. PLEASE ADVISE AMC OF OPPORTUNITY AND REQUEST THAT

U.S. FIRM COMMUNICATE DIRECTLY WITH DR. GONZALEZ. AMC SHOULD SEND PRODUCT LITERATURE ON ALL MODELS, C & F GUAYAQUIL PRICE QUOTATIONS, AND COMMENT ON HIS INTEREST IN A DEALERSHIP. SPANISH CORRESPONDENCE PREFERRED BUT NOT MANDATORY. ADDRESS AS FOLLOWS:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 QUITO 07502 081624Z

DR. MARCO TULIO GONZALEZ

APARTADO 3639
QUITO, ECUADOR
TEL. 513-777
TELEX: 2298
CABLE: ECUAME (ECUADOREAN-AMERICAN CHAMBER OF
COMMERCE), QUITO.

4. BACKGROUND ON DR. GONZALEZ: FORMER PRESIDENT AND DIRECTOR OF THE
CHAMBERS OF AGRICULTURE, COMMERCE AND INDUSTRIES; FORMER PRESIDENT
AND DIRECTOR OF BOARD OF VARIOUS COMPANIES, AMONG WHICH PRESIDENT
DURING 15 YEARS OF ECUATORIANA DE AVIACION, ECUADOR'S ONLY INTERNATIO
NAL
AIRLINE; EX-MINISTER OF INDUSTRIES AND COMMERCE; FORMER ECUADOREAN
CONSUL AND LATER AMBASSADOR; AT ONE TIME CONSTITUTIONALLY-ELECTED
ECUADOREAN SENATOR FOR INDUSTRY. CURRENTLY PRESIDENT OF FLOREXPORT
DEL ECUADOR, A FIRM WHICH WILL SOON BEGIN EXPORTING CUT FLOWERS TO
THE U.S., AND PRESIDENT OF HELITAN (HELITRANSPORTADORA NACIONAL), A
HELICOPTER TRANSPORT COMPANY SERVICING PETROLEUM COMPANIES OPERATING
IN ECUADOR.

5. COMMENT: EMBASSY VIEWS INTEREST BY DR. GONZALEZ AS EXCELLENT
OPPORTUNITY FOR AMERICAN MOTORS TO ENTER ECUADOREAN MARKET. THE SMALL
PASSENGER CAR MARKET IS NOW EXCLUSIVELY JAPANESE AND WEST-EUROPEAN.
IF AMC'S GREMLIN CAN SELL IN ECUADOR FOR US\$6,000 OR UNDER, IT HAS
REASONABLE PROSPECT OF EFFECTIVELY COMPETING WITH LOW PRICED JAPANESE
MODELS. FOR REASONS STILL NOT CLEAR TO THIS EMBASSY, WELL-ESTABLISHED
LOCAL FORD AND GM AGENCIES DO NOT OFFER SUB-COMPACTS (PINTO, VEGA)
TO GENERAL PUBLIC, AND THEREFORE HAVE FORFEITED THE MAJOR PORTION OF
THE TOTAL PASSENGER CAR MARKET.
BRZDMEAR

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO07502
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740322-0285
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741163/aaaacbdh.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 12 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 NOV 2002 by shawdg>; APPROVED <29 NOV 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRIVATE TRADE OPPORTUNITY FOR AUTOMOTIVE DISTRIBUTORSHIP
TAGS: BEXP, EC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005